



## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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DAVID Y. IGE  
GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

Written Statement of  
**LUIS P. SALAVERIA**

Director

Department of Business, Economic Development and Tourism  
before the

**HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

Monday, March 23, 2015

2:45 PM

State Capitol, Conference Room 325

in consideration of

**SB 892, SD 2, HD 1**

**RELATING TO OMNIBUS HAWAII RESILIENCE  
AND SUSTAINABILITY STRATEGY.**

Chair McKelvey, Vice Chair Woodson, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of SB 892, SD 2, HD 1 provided that its passage does not replace or adversely impact priorities in the Executive Budget. The following sections are to be expended by DBEDT.

Section 3 appropriates general funds for the Hawaii Broadband Initiative (HBI), a collaborative effort to increase Hawaii's broadband capacity. If this measure is adopted, DBEDT will work with the Legislature to update the HBI by bringing together potential partners to assess current opportunities.

Section 4 appropriates general funds for preparation of EIS's for seven cable landing sites, and design, construction of cable landing sites. DBEDT contracted for a specifications study which determined the preferred system specifications for military and business, and provided preliminary cost estimates for cable landing sites throughout the state of Hawaii. DBEDT is assessing the various financing options available to build landing stations to attract new transpacific fiber optic cables.

Section 7 appropriates general funds collaborative research efforts by the Hawaii Resilience and Sustainability Initiative management team in exploring methods to improve energy efficiency and grid operations. DBEDT's Hawaii State Energy Office team supports conducting research to improve security, reliability, and dependability of the electric grids.

Section 9 appropriates general funds for the preparation of plans by the Hawaii Resilience and Sustainability Initiative management team to expedite county water improvement projects. Safe drinking water is necessary for all and the county boards/departments of water supply need access to federal funds to improve critical drinking water infrastructure. DBEDT supports a collaborative effort to improve county access to the EPA state drinking water revolving loan fund.

We defer to the other departments for comments on portions that are related to their programs. Thank you for the opportunity to offer these comments.

23 March 2015

Representative Angus L.K. McKelvey, Chair, Committee on Consumer Protection and Commerce  
Hearing on Senate Bill 892, Relating to Omnibus Hawaii Resilience and Sustainability Strategy

Professor Steve Chan, PhD  
Chair, Swansea University Network/Relationship Science Analytics PhD Program  
Director, Sensemaking- U.S. Pacific Command Fellowship,  
Director, Pacific-Asia Institute for Resilience and Sustainability (AIRS)  
4365 Executive Drive, Suite 670  
San Diego, CA 92121

RE: Support for SB892

Dear Chair McKelvey and members,

Support for a bill that provides a strategy for developing broadband capacity and its applications for building more resilient critical infrastructure throughout the Hawaiian Islands is vital for the future vitality of the state. Broadband or high speed internet access can provide Hawaii an increased level of access to a wide range of resources, services, and products that can enhance the everyday life of citizens throughout the state in a variety of ways, such as:

- **Public Safety and Homeland Security:** Broadband enables interoperable broadband public safety networks, which connect first responders in an emergency, and allow emergency workers to communicate across disparate networks, between jurisdictions, and across different agencies – critical capabilities at the scene of an emergency. Police, fire, and emergency medical personnel can react to crises quickly, fostering cooperation among numerous public safety agencies. High speed Internet improves victim to responder communications by enabling instantaneous digital transmissions to and from members of a connected community.
- **Economic Development/E-Commerce:** Businesses need broadband to compete on a global level and seek out high-speed broadband access when choosing to grow their business. When it comes to finding jobs, or applying for jobs, broadband Internet access is essential. The FCC recently estimated that 80% of Fortune 500 companies only advertised for positions online. High-speed access accelerates business development, and provides new opportunities for innovation, expansion, and e-commerce. Communities that connect their residents create wealth and attract business investments.
- **Education:** Broadband Internet access levels the playing field when it comes to educational resources. Children in inner city neighborhood, affluent homes, and farm communities can all access the same resources. Textbook materials can be complemented with online resources, and children can access all of these materials from school and home.





- **Healthcare:** Telehealth & Telemedicine have become an important element of efficient healthcare delivery, which promotes better patient care, and even saves lives. With medical costs rising, and the availability of insurance limited, the costs saving benefits of telemedicine are also important. Broadband facilitates efficiency in healthcare delivery and creates opportunities for doctors and healthcare specialists to work together as a virtual team – with specialists located in any part of the world. A family practitioner in a small rural town can send medical images of a patient, to a specialist in any part of the world for an instant expert consultation. Test results from a hospital emergency room or laboratory can be sent to radiologist or doctor in seconds, making rapid diagnosis a reality, and doctors are also now sending prescriptions directly from their offices to pharmacies, greatly reducing errors, with automatic checking for interactions.
- **Communications:** Being digitally connected means communications can improve people's lives on the job, in their personal lives, and unite people with disabilities. Broadband empowers people with disabilities and removes barriers that keep them from participating in everyday activities. In addition to general communications social media also keeps people connected, and can facilitate meetings and communications, where face-to-face interaction was previously required. Broadband enables people to work from home, saving time and expenses, and the environment. Employers have been encouraging this concept to save overhead expenses and improve employee satisfaction. Smart Grid technology will also enable homeowners to monitor energy usage in real time, and adjust usage patterns to save energy costs and aid in conservation efforts. Energy conservation measures can be started, with real-time savings calculated.

Policy makers are now frequently defining broadband as a necessity, in the same category as electricity, water and phone service. Broadband is no longer a perk or special benefit. For communities, it is a critical piece of infrastructure for attracting new capital investment. As with electric service, the reliability of broadband service is heavily scrutinized to ensure the operation will not be placed offline (especially for information-intensive projects like data centers) or that the risk of being offline is minimal. The competitiveness of the service is also important. Locations with numerous providers have an advantage because competitiveness will drive up speeds and drive down cost.

Locations with inadequate connectivity are quickly passed over for projects requiring broadband. Communities lacking broadband infrastructure make the process of elimination easier for investment decision-makers and influencers. That said, merely having broadband likely places a location on a level playing field with other communities and having a robust plan for how broadband is integrated gives your community a competitive advantage. In today's landscape wherein "being connected" is central to becoming a critical node within the global supply chain, and particularly for the case whereby Hawaii desires to enhance its economic posture, the discussed broadband element of critical infrastructure is, perhaps, the key ingredient for all of Hawaii's future endeavors ranging from smart grid to becoming a cyber leader.

Very Respectfully,

Prof. Steve Chan, PhD



Written Statement of  
**ROBBIE MELTON**  
**Executive Director & CEO**  
High Technology Development Corporation  
before the  
**HOUSE COMMITTEE CONSUMER PROTECTION & COMMERCE**  
Monday, March 23, 2015  
2:45 p.m.  
State Capitol, Conference Room 325  
In consideration of  
**SB892 SD2 HD1 RELATING TO OMNIBUS HAWAII RESILIENCE AND  
SUSTAINABILITY STRATEGY.**

Chair McKelvey, Vice Chair Woodson, and Members of the Committee on Consumer Protection and Commerce.

The High Technology Development Corporation (HTDC) **supports the intent** of SB892 SD2 HD1, relating to Hawaii's Resilience and Sustainability Strategy.

As part of HTDC's vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030, HTDC supports initiatives aimed at improving Hawaii's high speed broadband infrastructure and improving Hawaii's reputation as a place to do business.

HTDC supports the intent of part II appropriating resources for the Hawaii broadband initiative and broadband cable landing sites. Prioritizing broadband infrastructure remains a commonality for successful economic development efforts nationwide like in Chattanooga, Kansas City and the Research Triangle. A 2014 study by the Fiber to the Home Council Americas suggests that "gigabit broadband communities have per capita GDP that is 1.1 percent higher than communities with little to no availability of gigabit services." Furthermore, broadband infrastructure is a key component for the two way communication required for the implementation of a smart grid and realizing its benefits of increased renewables, decreased fossil fuel consumption, and improved efficiencies. The cable landing sites require significant funding and we look to the legislature to determine the appropriate funding mechanism. HTDC looks forward to working with the Department of Business, Economic Development and Tourism on these projects.

HTDC supports the intent of part III as we have been working with the Office of Information Management and Technology on the cybersecurity portion of this project at the Mililani High Tech Park site.

We defer to the appropriate departments regarding the budget impact. Thank you for the opportunity to offer these comments.

From: mailinglist@capitol.hawaii.gov  
Sent: Saturday, March 21, 2015 5:09 AM  
To: CPCtestimony  
Cc: richard.d.berry@pacom.mil  
Subject: Submitted testimony for SB892 on Mar 23, 2015 14:45PM  
Attachments: J00\_Broadbandletter\_Mr\_signed.pdf

**SB892**

Submitted on: 3/21/2015

Testimony for CPC on Mar 23, 2015 14:45PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Admiral Samuel J. Locklear	U.S. Pacific Command	Support	Yes

Comments: Dr. Richard Berry will be testifying on behalf of U.S. Pacific Command.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**COMMANDER, U.S. PACIFIC COMMAND  
(USPACOM)  
CAMP H.M. SMITH, HAWAII 96861-4028**

February 23, 2015

State of Hawaii Legislature  
415 South Beretania Street  
Honolulu, HI 96813

Dear Mr. Chairman:

We concur with Hawaii's effort to provide more secure, reliable, and resilient Internet and data connectivity. Increased broadband capacity on the island is crucial to USPACOM's ability to command and control forces across the Asia-Pacific, especially with the increasing amount of data that must be transferred.

The John Hopkins University Applied Physics Laboratory completed a study in 2011 and determined that Trans-Pacific submarine cables are currently in unsecured, publicly accessible areas, and highly vulnerable to accidental or intentional damage. The study also concluded that by 2020 required data throughput capacity will exceed available Trans-Pacific submarine cables bandwidth, ultimately affecting users throughout Hawaii and the Asia-Pacific.

Technology now allows for installation of new resilient Submarine Fiber Optic (SFOC) which has the capability to bypass Hawaii entirely. Robust broadband is the communication backbone for our 24-hour command and control coverage of the Asia-Pacific. Without additional capacity on the island, the exponential increase in technological devices, like GPS, smartphones, and high speed computing will cause the State of Hawaii and USPACOM to become increasingly vulnerable to communication degradation and/or outages.

The security and resilience of the communications network requires a collaborative effort that involves active participation by the government, academic institutions and the private sector. USPACOM is committed to working with the community to achieve these objectives.

Sincerely,

A handwritten signature in black ink, appearing to be "S. J. Locklear, III", is written over a horizontal line.

S. J. LOCKLEAR, III

Copy to:  
Hawaii Governor David Ige



P.O. Box 253, Kunia, Hawai'i 96759  
Phone: (808) 848-2074; Fax: (808) 848-1921  
e-mail [info@hfbf.org](mailto:info@hfbf.org); [www.hfbf.org](http://www.hfbf.org)

March 23, 2015

HEARING BEFORE THE  
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TESTIMONY ON SB 892 SD 2 HD 1  
RELATING TO OMNIBUS HAWAII RESILIENCE AND SUSTAINABILITY STRATEGY

Room 325  
2:45 PM

Aloha Chair McKelvey, Vice Chair Woodson, and Members of the Committee:

I am Christopher Manfredi, President of the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,932 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

Hawaii Farm Bureau **supports the intent of SB 892 SD 2 HD 1 with comments.** Increasing Hawaii's sustainability by increasing our resiliency through the use of technology is a positive step forward. Hawaii's farmers and ranchers have historically faced challenges bouncing back from economic and environmental downturns.

Innovation is critical to agriculture's long term success thus enabling Hawaii's goals of increased self-sufficiency and sustainability. Hawaii's agricultural producers find themselves increasingly dependent upon technology to innovate new practices to remain competitive in an increasingly global marketplace. Yet, in certain rural areas, reliable broadband service is not available and basic tools offered by USDA to farmers on the continent are not similarly available to Hawaii's farmers and ranchers. Satellite imagery depicting your farm's plant health is available to farmers on the mainland, yet Hawaii farmers do not typically have access to similar information because we are on the edge of the satellite imagery. Including technology needs of agriculture within the scope of this measure is critical to provide farmers and ranchers proactive tools to meet Hawaii's goal of increased sustainability and to achieve competitiveness with our mainland counterparts.

Thank you for this opportunity to provide our opinion on this important matter.

From: mailinglist@capitol.hawaii.gov  
Sent: Sunday, March 22, 2015 9:35 AM  
To: CPCtestimony  
Cc: darakawa@lurf.org  
Subject: Submitted testimony for SB892 on Mar 23, 2015 14:45PM

**SB892**

Submitted on: 3/22/2015

Testimony for CPC on Mar 23, 2015 14:45PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
David Z. Arakawa	Land Use Research Foundation of Hawaii	Comments Only	No

Comments: The land Use Research Foundation of Hawaii SUPPORTS SB 892, SD2, HD1, RELATING TO OMNIBUS HAWAII RESILIENCE AND SUSTAINABILITY STRATEGY. This measure makes various appropriations for the Hawaii resilience and sustainability strategy. (SB892 HD1) D1 version, which: (1) appropriates general funds for the State of Hawaii's Resilience and Sustainability's Initiative Management Team to continue its collaborative research efforts in exploring methods to improve energy efficiency and grid operations in Hawaii; and (2) appropriates funds to support plans by the State of Hawaii's Resilience and Sustainability's Initiative Management Team to expedite county water improvement projects and target the water and sewer distribution systems on each island in the State.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov  
Sent: Saturday, March 21, 2015 10:03 PM  
To: CPCtestimony  
Cc: amybrinker@mac.com  
Subject: \*Submitted testimony for SB892 on Mar 23, 2015 14:45PM\*

**SB892**

Submitted on: 3/21/2015

Testimony for CPC on Mar 23, 2015 14:45PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Amy Brinker	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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SHAN TSUTSUI  
LIEUTENANT GOVERNOR

**LATE TESTIMONY**

**STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

830 PUNCHBOWL STREET, ROOM 321  
HONOLULU, HAWAII 96813  
[www.hawaii.gov/labor](http://www.hawaii.gov/labor)  
Phone: (808) 586-8842 / Fax: (808) 586-9099  
Email: [dlir.director@hawaii.gov](mailto:dlir.director@hawaii.gov)

March 23, 2015

The Honorable Angus McKelvey, Chair  
Committee on Consumer Protection  
and Commerce  
House of Representatives  
State Capitol, Room 320  
Honolulu, Hawaii 96813

Dear Chair McKelvey:

Subject: Senate Bill (SB) 892, Senate Draft (SD) 2, House Draft (HD) 1  
Relating to Omnibus Hawaii Resilience and Sustainability Strategy

I am Manuel P. Neves, Chair of the Hawaii State Fire Council (SFC) and Fire Chief of the Honolulu Fire Department (HFD). The SFC and the HFD support the intent of SB 892, SD 2, HD 1, which makes appropriations for a Hawaii resilience and sustainability strategy in the areas of broadband, joint emergency management, energy efficiency and smart grid, and water and sewer infrastructure.

We believe this measure seeks to improve first responder communications across jurisdictions and among different agencies. Having the ability to communicate quickly and effectively at an emergency incident is a critical component for effecting a successful outcome. Any step to secure funds for a state training facility would greatly enhance natural and manmade disaster preparedness that are currently not available to county first responders. We respectfully request consideration to participate in the center's planning phase.

The SFC and the HFD urge your committee's support on the passage of SB 892, SD 2, HD 1.

Should you have questions, please contact SFC Administrator Socrates Bratakos at 723-7105 or [sbratakos@honolulu.gov](mailto:sbratakos@honolulu.gov).

Sincerely,

MANUEL P. NEVES  
Chair

MPN/LR:clc

DAVID Y. IGE  
GOVERNOR OF HAWAII



VIRGINIA PRESSLER, M.D.  
DIRECTOR OF HEALTH

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
P. O. Box 3378  
Honolulu, HI 96801-3378  
doh.testimony@doh.hawaii.gov

**TESTIMONY COMMENTING on S.B. 892, S.D. 2, H.D. 1  
RELATING TO OMNIBUS HAWAII RESILIENCE AND SUSTAINABILITY  
STRATEGY**

REP. ANGUS L.K. MCKELVEY, CHAIR  
REP. JUSTIN H. WOODSON, VICE CHAIR  
COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Hearing Date: March 23, 2015

Room Number: 325

1 **Fiscal Implications:** No fiscal implications on the Department of Health, however,  
2 S.B. 892, S.D. 2, H.D. 1 will require sufficient general funding to fulfill its mandate.

3  
4 **Department Testimony:** The Department of Health is correcting two misstatements on the  
5 status and purpose of the drinking water state revolving fund (DWSRF). S.B. 892, S.D. 2,  
6 H.D. 1 states that there is \$100 M unused in the DWSRF. To date \$78M, have been committed  
7 to loans leaving \$22M available for future loans until outstanding loans are repaid. While the  
8 DWSRF encourages resiliency and sustainability, the loans are first for water system  
9 improvement, which include projects such as water treatment plant construction, reservoir and  
10 line replacement, and source development.

11 The DWSRF loans are not "for county water improvement projects that have had difficulty  
12 obtaining necessary permits from the Department of Health." These loans are for county water  
13 system improvement projects which are prioritized and approved by the Department of Health.  
14 This low interest loan program is to reduce the cost to make the improvement more affordable  
15 while at the same time strengthening the protection of drinking water quality.

16 Finally, the Department of Health knows the review of water systems is a resource intensive  
17 activity. We strongly recommend that the Committee define the mandate of S.B. 892, S.D. 2,  
18 H.D. 1 by citing the number and size of water and sewer systems in each county intended for  
19 review and clearly define the scope of the watershed reviews and advanced monitoring that is  
20 intended.

21 Thank you for this opportunity to provide comment.